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and Bonnie Nichols, Pro Hac Vice*

**UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

Case No.: 2:24-cv-02886-WLH-SK

DAVID HOUGH; *et al*

Plaintiffs,

v.

RYAN CARROLL; *et al*.

Defendants.

Presiding Judge: Hon. Wesley L. Hsu

Hearing Date:

Hearing Time:

Courtroom 9B

Hearing Location: 350 W, 1st Street, 9th Floor

Los Angeles, California 90012

Trial Date: TBD

**[PROPOSED] ORDER DISMISSING SECOND AMENDED COMPLAINT
AS AGAINST DEFENDANTS WHOLESALE UNIVERSE AND BONNIE NICHOLS
ON GROUNDS OF LACK OF *IN PERSONAM* JURISDICTION IN CALIFORNIA**

Whereas, Defendants Bonnie Nichols and Wholesale Universe, residents of the State of

1 Texas, enter their special appearance and contest the *in personam* jurisdiction of the Court
2 against them in this case, as stated in the now operative Second Amended Complaint, and

3 Whereas, on consideration of the Second Amended Complaint, the Defendants' motion
4 to dismiss, the submissions of the parties, consideration of the precedents cited, and the
5 arguments of counsel,

6 Whereas, the factual allegations of the Second Amended Complaint (and earlier
7 versions of the Complaint) do not appear to cross the very delicate, sensitive line between
8 purposeful availment of California as a forum on the Defendants' initiative as opposed to the
9 Plaintiffs' initiative in responding to a general invitation not limited to any State, particularly
10 where Wholesale Universe and its owner and leader Bonnie Nichols dealt with Wealth
11 Assistants directly rather than with Wealth Assistants' individual clients separately according
12 to the allegations of the Second Amendment Complaint, and

13
14 Whereas, the exercise of personal jurisdiction is constitutionally permissible only if the
15 defendant has sufficient "minimum contacts" with the forum state so that the exercise of
16 jurisdiction "does not offend 'traditional notions of fair play and substantial justice.' "
17 *International Shoe Co. v. Washington*, (1945) 326 U.S. 310, 316, and

18
19 Whereas, specific jurisdiction "depends on the quality and nature of the defendant's
20 forum contacts in relation to the particular cause of action alleged." *HealthMarkets, Inc. v.*
21 *Superior Court*, 171 Cal. App. 4th 1160, 1167 (2009).

22 A nonresident defendant is subject to specific jurisdiction only if

23 "(1) the defendant purposefully availed itself of the benefits of
24 conducting activities in the forum state;

25 (2) the controversy arises out of or is related to the defendant's

forum contacts; and

(3) the exercise of jurisdiction would be fair and reasonable.”

Id. (Citing *Burger King Corp. v. Rudzewicz*, (1985) 471 U.S. 462, 472, 475-478).

Whereas, the Court in analyzing this understands that there is no impediment to suit in a jurisdiction where these Defendants are located, specifically Texas, and the Court hereby enters the following Order.

NOW THEREFORE, the Court decides, adjudges, and orders that the Second Amended Complaint does not state sufficient factual grounds for personal jurisdiction of California over Wholesale Universe and Bonnie Nichols in Texas without prejudice to the Plaintiffs bringing suit in another jurisdiction, and

THE COURT FURTHER ORDERS that pursuant to the precedents cited by these Defendants and in a companion motion by other individual Defendants the Plaintiffs have a right in this case in this Court to attempt to substantiate the jurisdictional allegations by affidavits or other competent proof, though not merely repeating allegations in the complaint.

ENTERED this _____ day of December, 2024

Hon. Wesley L. Hsu,
District Court Judge